

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L KUWAIT 004411

SIPDIS

E.O. 12958: DECL: 12/18/2014

TAGS: [PREL](#) [ECON](#) [KU](#) [SA](#) [BA](#)

SUBJECT: KUWAITI FM ON BAHRAIN FTA AND THE GCC SUMMIT

Classified By: Ambassador Richard LeBaron for reasons 1.4 (B) and (D)

1. (C) During a December 18 meeting on another topic, Kuwaiti Foreign Minister Shaykh Dr. Mohammed Sabah Al-Salem Al-Sabah updated Ambassador LeBaron and British Ambassador Christopher Wilton on the GCC ministerial gathering earlier this month. As reported by others, Saudi FM Saud Al-Faisal's objections to Bahrain's free trade agreement (FTA) with the U.S. brought an abrupt end to the meeting. According to Dr. Mohammed, the Saudi FM reportedly contended that an FTA with only one GCC member would puncture a hole in the customs union, allowing U.S. products to enter into the rest of the GCC countries without proper tariffs. According to Dr. Mohammed, the Saudi FM proposed three alternatives: Bahraini nullification of its FTA with the U.S., Bahraini delay of FTA implementation until other GCC members catch up, or GCC abandonment of internal economic cooperation completely. The British Ambassador added that the European Union (EU) would like the GCC to develop a cohesive customs union before progressing with EU-GCC FTA discussions; therefore, pursuing the third Saudi option would derail EU-GCC cooperation.

2. (C) According to FM Dr. Mohammed, the GCC Finance Ministers, meeting December 18 in Bahrain, would try to work out problems between the Saudis and the rest of the bloc. FM Dr. Mohammed said Saudi Crown Prince Abdullah has agreed to attend the GCC Summit, which he viewed as an indicator that the Saudis were not going to sabotage the summit over the FTA issue.

Visit Embassy Kuwait's Classified Website:

<http://www.state.sgov.gov/p/nea/kuwait>

You can also access this site through the
State Department's Classified SIPRNET website

LEBARON